U.S. Army Materiel Command

GEN Paul Kern

Army Materiel Command Transformation

ESSENTIAL IN PEACE, INDISPENSABLE IN W

Agenda

- Introduction
- Vision
- Mission
- Organizational Transformation
- Transforming Business Processes
- Transforming the AMC Workforce
- Summary . . . Parting Thoughts

AMC. . . a *CLEAR* Vision for the Future

Essential In Peace, Indispensable In War

Dedicated and innovative people:

Committed to continuously improving support to soldiers.

LEAding the development of new technology and sustainment processes to transform the Army.

Reshaping the workforce for the 21st century.

AMC --- A Transforming Organization

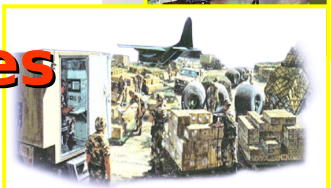
AMC Mission . . .

Provide superior technology, acquisition support and logistics to ensure dominant land force capability for Soldiers, the United States and Allies

Support Army Transformation and Improve Readiness

AMC's Transformation efforts focus on three enablers . . .

- **Organizations**
- **Processes**
- **People**

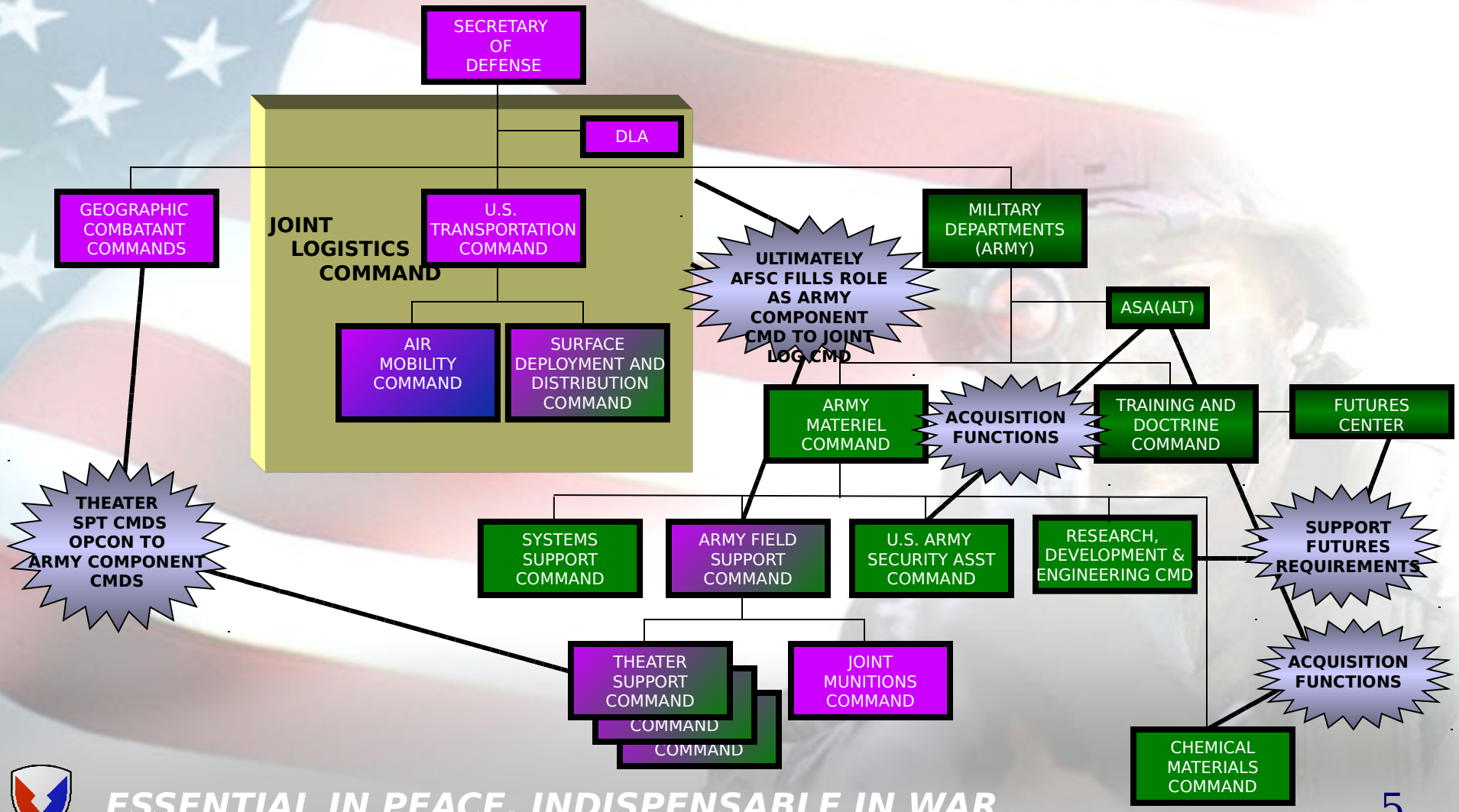


FCS

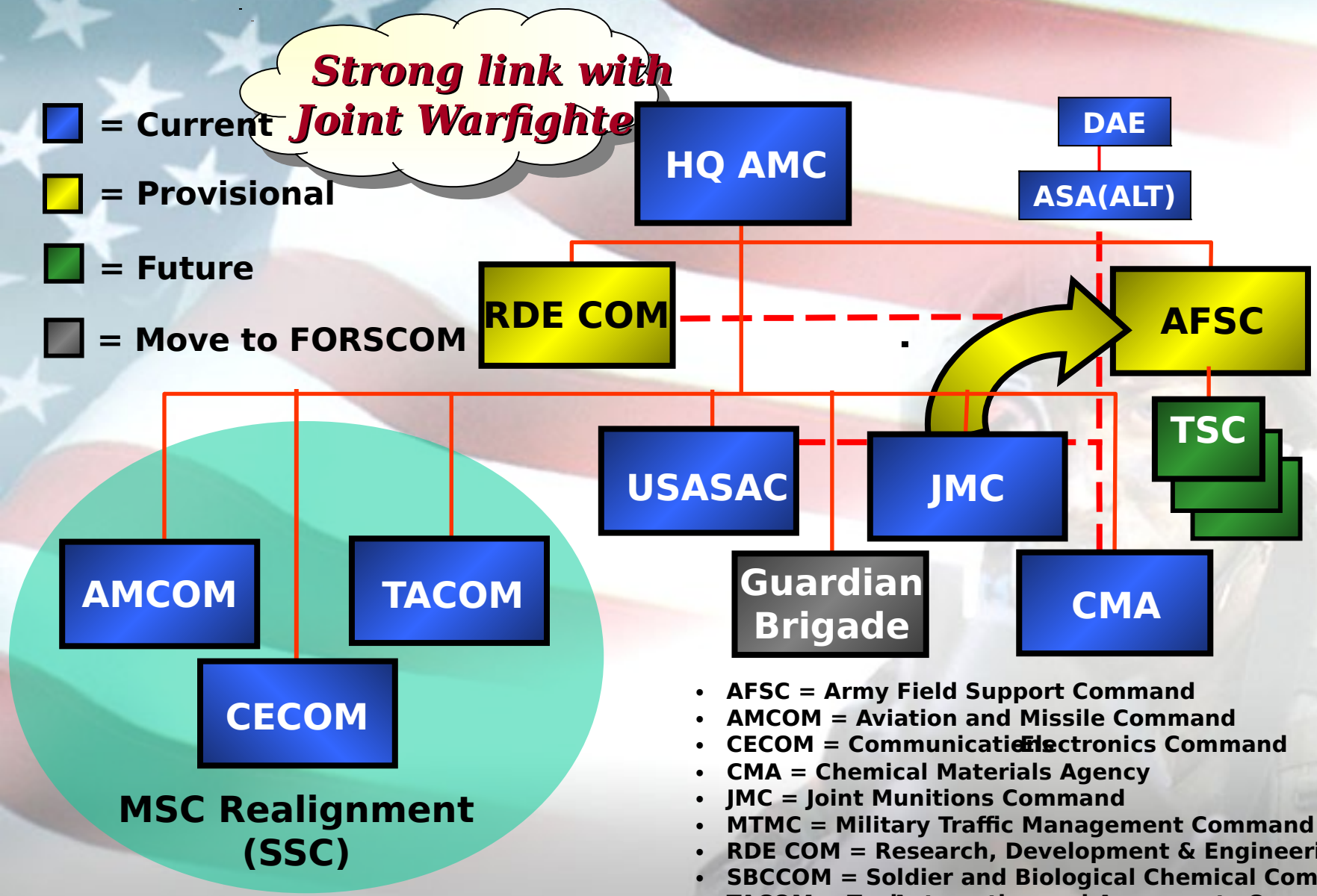
Current–Stryker–Objective Forces

Army Logistics Transformation Task Force - - implementing recommendations over the past year!

ARMY MATERIEL COMMAND OF THE FUTURE (PROPOSED END STATE)



Transforming AMC: Status To Da



- AFSC = Army Field Support Command
- AMCOM = Aviation and Missile Command
- CECOM = Communications-Electronics Command
- CMA = Chemical Materials Agency
- JMC = Joint Munitions Command
- MTMC = Military Traffic Management Command
- RDE COM = Research, Development & Engineering Comm
- SBCCOM = Soldier and Biological Chemical Command
- TACOM = Tank-Automotive and Armaments Command
- USASAC = Security Assistance Command

Research, Development & Engineering Command (RDECOM) (Provisional)

Objectives:

- Transition technologies to the soldiers faster
- Keep pace with the technology
- Integrate the RDE effort

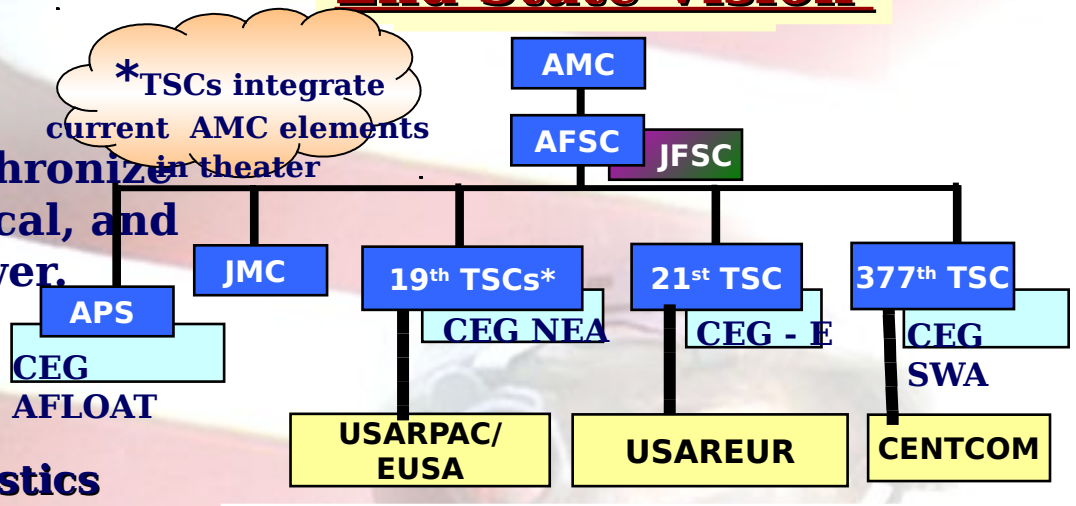
Will be measured in SRS; metrics are under development

Benefits . . .

- Systems of Systems Integration - - accelerated technology transfer
- Integrated RDE effort - - Effective Partnerships
  - Battle Labs
  - PEOs/PMs
  - Service Labs and Agreement with National Labs
  - Agreement with SOCOM
  - Agreement with Navy
  - Industry, academia, international partners
- Focused partnership with Futures Center and ATEC
- Provides S&T Advisors to each Combatant

Army Field Support Command (AFSC)

End State Vision



Objective: **Integrate and synchronize Global in-theater strategic, tactical, and operational combat logistics power.**

Benefits . . .

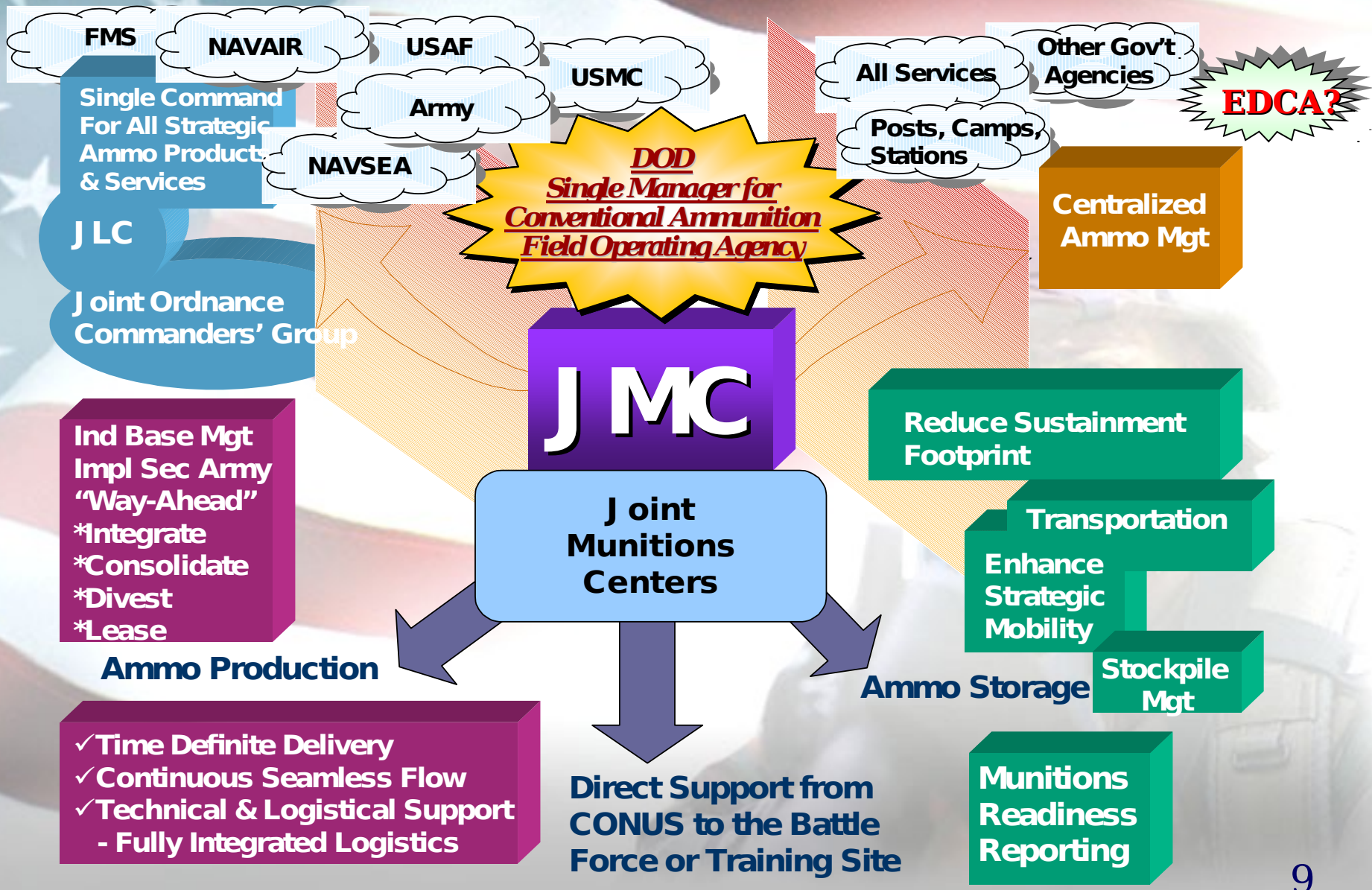
- **Postures responsive combat logistics power at TSC**
- **Integrates Strategic, Operational and Tactical Logistics Capabilities**
- **Enhances and integrates End-to-End Distribution Based Logistics**
- **Postures Army to support joint logistics of the future; for integration into Joint organization (with Army oversight)**
- **Improves support to the warfighter**

Completes the End-to-End Distribution Capability along with the MTMC Transfe

Key support metrics (examples):

- **LOGCAP responsiveness (contract performance)**
- **APS Readiness**
- **APS Fill**

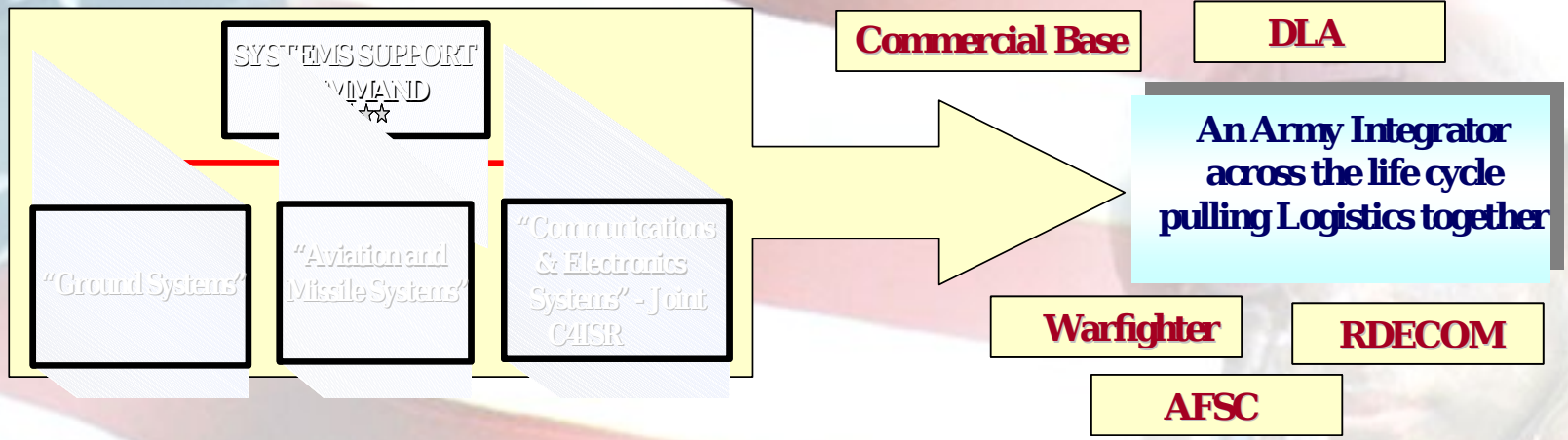
Joint Munitions Command (JMC) - Pro



Systems Support Command (SSC

SSC - - an outgrowth of efficiencies and a single enterprise

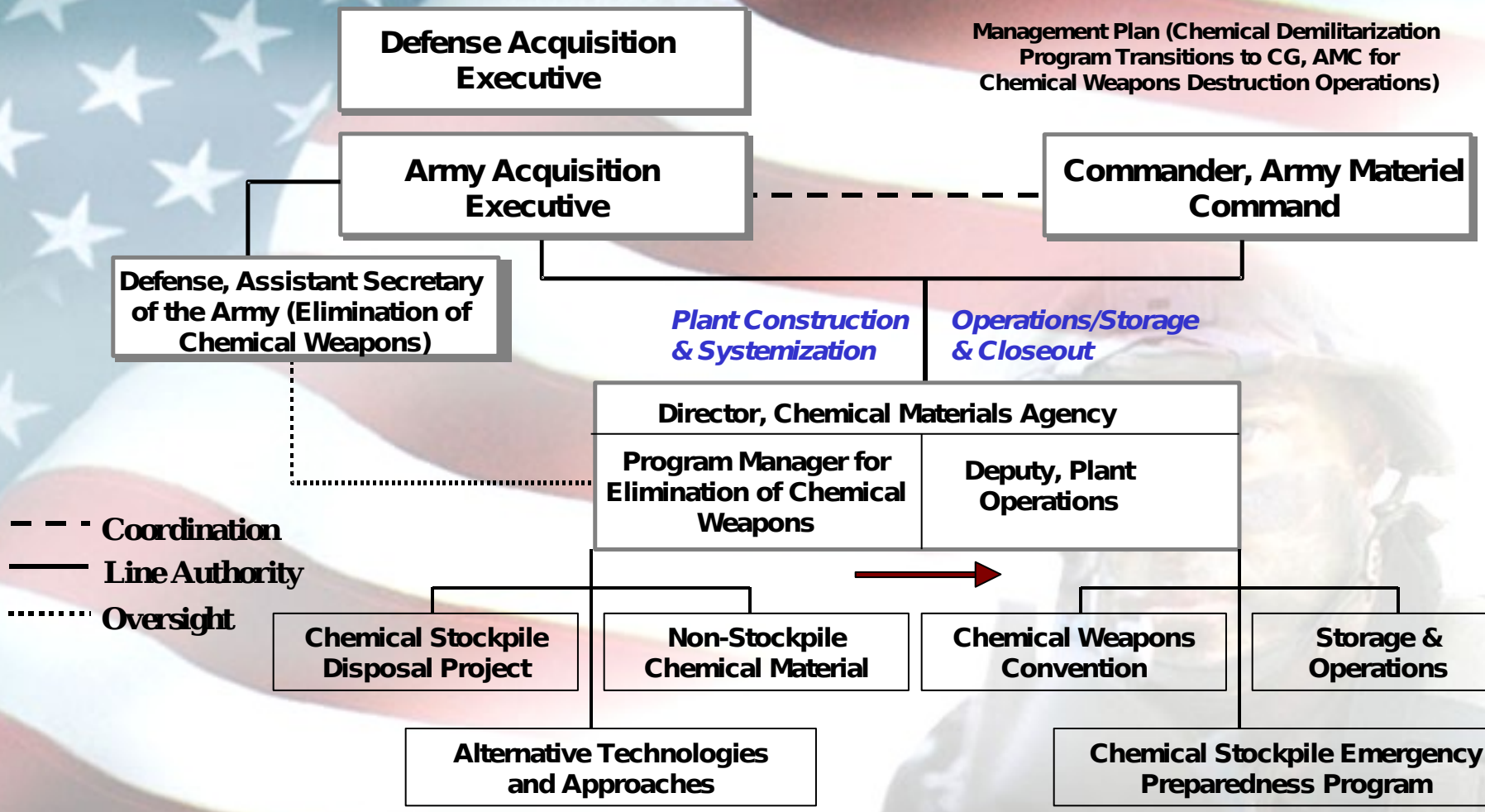
Objective: An integrated command focused on optimization of total force readiness vice the individual systems.



Benefits . . .

- Army's supportability advocate
- A single Materiel Management Center with product areas of expertise
- Improved support to PMs &
- Streamlined organization; standardized business processes
- Weapon system focus; improved product line integration/coordination

Chemical Materials Agency (CMA


Defense Acquisition Executive
Management Plan (Chemical Demilitarization Program Transitions to CG, AMC for Chemical Weapons Destruction Operations)
Army Acquisition Executive
Commander, Army Materiel Command
Defense, Assistant Secretary of the Army (Elimination of Chemical Weapons)
Plant Construction & Systemization
Operations/Storage & Closeout
Director, Chemical Materials Agency
Program Manager for Elimination of Chemical Weapons
Deputy, Plant Operations
Coordination
Line Authority
Oversight
Chemical Stockpile Disposal Project
Non-Stockpile Chemical Material
Chemical Weapons Convention
Storage & Operations
Alternative Technologies and Approaches
Chemical Stockpile Emergency Preparedness Program

Missions

- Safely destroys U.S. Stockpile/Non-Stockpile
- Alternative approaches for demilitarization
- Oversight - - Acquisition matters (AAE); Storage/operational matters (AMC)
- Cooperative Threat Reduction
- Chemical Stockpile Emergency Preparat

Logistics Thrust: Support the Warf

...the changing framework

Move from a Wholesale & Industrial Base Focus to a DOD Log Enterprise & Joint Focus

→ **Tactical, Operational & Strategic Focus**

Reactive →	Anticipatory, Integrated & Responsive
Supply Based →	Rapid Distribution Based Sustainment
Army Centric →	Joint/Coalition
Logistics System"s" →	Collaborative, Interoperative Communication Systems for a COP
Planning Centric →	Execution Centric
Industrial Operations →	Joint & Theater Logistics Focused

Full Logistics Spectrum

Future Battlefield Success

- Visible
- Effective Communicati
- Global
- Agile
- Anticipatory
- Seamless End-to-End

What We've Accomplishe

- Full Single Stock Fund implemen
- Phase I of Logistics Enterprise Integration Pilot (Deployed 7 Ju Nat'l Level; preparing to move t tactical level)
- Architecting End-to-End Log Ent

Enterprise Integration

How we operate today . . .

Problem:

- Stovepiped legacy systems
- Multiple databases - - reconciliation issues
- Multiple organizations/decentralized m
- No common performance measures
- Lack of flexibility

Multiple Organizations

- AMC (MSCs/Depots)
- LOGSA
- DLA
- PEO/PM/CLS
- OEMs
- MTMC
- CASCOM

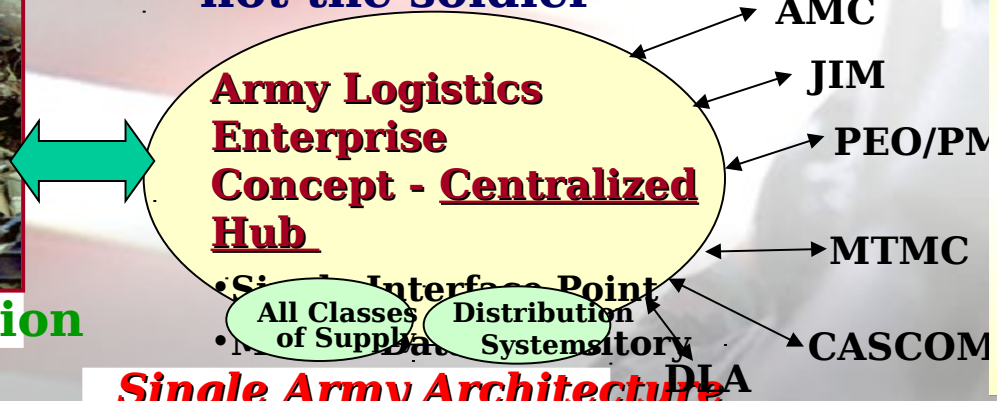
Current Situation

Multiple systems

A Soldier's View - - soldier deals ind
with all elements of a complex process

Vision of the Future: *Enterprise* deals with t
not the soldier

Unit of Action



Single Army Architecture

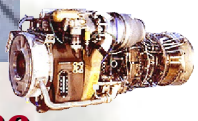
Enterprise Tenets

- Enterprise Resource Plan
  Business System Backbo
- Common, Best Practices
- Network Centric
- Single Data Environment
- *Single Point of Plug-In*

Transforming AMC's Business Philosophy and Practices: Lean Thinking

Lean is…
"a philosophy of manufacturing that seeks to minimize unnecessary time, materials, and effort in the production process"
Standard and Davis, Running Today's Factory, 1999

Vital to Army Transformation and the Industrial Base



T700 Engine
Corpus Christi Army Depot

- **Partnered with General Electric utilizing Six Sigma tools**
- **Reduced Turn-around Time by 57% to 130 days**
- **Optimized supply by having kits on hand before induction**

UH-60 A to A Recap
Corpus Christi Army Depot

- **Plan to reduce Turn-around Time from an estimated 327 days to 150 days**
- **Reduced distance traveled from 5.5 miles to 1 mile**
- **Reduce the number of buildings from 8 to 4**

Small Emplacement Excavator
Red River Army Depot

From Jul 02:

- **Output improved from 5 Vehicles to 11 vehicles per month**
- **Improved productivity by 36%**

Transforming AMC's Industrial Base

Why transform…

- National Security Missions
- Lean/Agile Manufacturing Concept
- Defense Future Systems Requirements
- Migrate to Public-Private Partnerships

Commercialize When Economically Feasible at Minimum Cost & Risk

Joint pull production . . . Reconfigurable/responsive manufacturing . . . Rapid acquisition . . . Integrated, matrixed capabilities; Maximum flexible workforce

Our Strategy . . .

Ammunition Plants

- Implement SecArmy approved way ahead
  - ✓Integration
  - ✓Consolidation
  - ✓Divestiture
  - ✓Leasing
- Complements PBD 407

Arsenals

- Implement GSIE - Ground Systems Industrial Enterprise
- Implement ASPI [illegible] Support Program Initiatives

Maintenance Depots

- Implement Army Depot Maintenance Public-Private Partnership Plan
- Implement Lean Philosophy
- Pursue Public Private Partnerships
- Champion legislative and financial reform
- Implement Capital Improvement Program

Way Ahead . . .

- Pursue Legislative/Financial Reform
- Negotiate Plant Divestiture & Leasing Arrangements

Transforming the Manufacturing Base

nd Systems Industrial
SIE)

Ground Systems Industrial Enterprise (GSI

Continuous Improvement of soldier support wh
Realizing cost reduction of products/services t
comparable to private industry

How We're Doing It . . .

- **Lean Philosophy**
- **Further Reducing Infrastructure**
- **Infusing New Workload** (Diminishing Manufacturing Sources & Materiel Shortag
- **Legislative & Financial Reform** (Memo t 1 July; Business Initiatives Council Reviewi

What We've Done . . .

- **Reduced infrastructure (Watervliet Arsenal)**
  - **290,000 sq. ft. (floor space)**
  - **527 pieces of Industrial Plant Equip**
- **Reduced infrastructure (Rock Island Arsenal)**
  - **600,000 sq. ft. (floor space)**
  - **357 pieces of Industrial Plant Equip**

What We're Achieving . . .

- ✓ Industrial base's full capability
- ✓ Expanded capabilities' utilization
- ✓ Getting more efficient
- ✓ Divesting unneeded plant facilities
- ✓ Reducing plant capacity

2003 → Futur e

Transforming Objective Army Prepositioned S[illegible] (APS)

Why Transformation . . .

Current strategy is inconsistent with changing strategic environment, Objective Force Concepts, and new DPG planning

Near Term

- Set the Force to support National Defense priorities
- Provide cost effective technology upgrades
- Rapidly restore Army fleet to support readiness goals

Setting the Force (Reset)

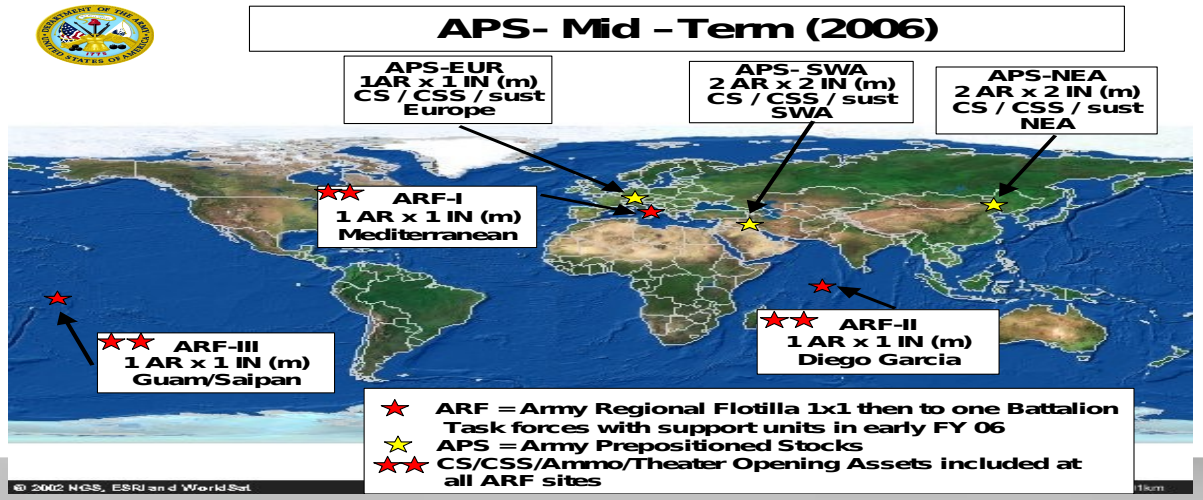
Mid Term

- Modify LMSRs to facilitate tailoring units at sea
- Joint Logistics Afloat
- Reach Operations

Full Spectrum Operations

Far Term

- Future Lift Capabilities
- Forward Presence Rotations
- Ne[illegible]ed


APS– Mid –Term (2006)
APS-EUR
1AR x 1 IN (m)
CS / CSS / sust
Europe
APS- SWA
2 AR x 2 IN (m)
CS / CSS / sust
SWA
APS-NEA
2 AR x 2 IN (m)
CS / CSS / sust
NEA
ARF-I
1 AR x 1 IN (m)
Mediterranean
ARF-II
1 AR x 1 IN (m)
Diego Garcia
ARF-III
1 AR x 1 IN (m)
Guam/Saipan
ARF = Army Regional Flotilla 1x1 then to one Battalion Task forces with support units in early FY 06
APS = Army Prepositioned Stocks
CS/CSS/Ammo/Theater Opening Assets included at all ARF sites
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Strategy Relook

- Equipment Configuration and Support Structure
- Use of Equipment in Nondeployable Environment

Fleet Management Initiative

Why Fleet Management . . .

Improve materiel readiness of TRADOC's training fleet by extending AMC's national leve logistics capabilities to TRADOC's installations (for selected missions).

Transformation Benefit(s) . . .

- **Improve Fleet Readiness**
- **Reduce Logistics Footprint**
- **Facilitate enterprise integration**

***Ft. Knox Pilot*: STATUS: OPCON Supply & Maintenanc above Unit Level Mission to AMC, Feb 03**

***Ft. Rucker Pilot:* STATUS: OPCON Mission to AMC, Feb 03**

Schedule

Knox (Pilot sites) Rucker Benning Bliss Leonard Wood Sill	BAND I - FY03-04 BAND II - FY04-06	Aviation, missile, heavy track and wheel fleets
Gordon Huachuca	BAND III - FY04-06	C/E Fleets
Eustis Jackson Lee	BAND IV	Low density/ high mix fleets
Monroe/Story OMMS / APG OMEMS / RSA	BAND V	Fleets w/in schools- minimal support
Carlisle Barracks Leavenworth Presidio of Monterey	BAND VI	Minimal fleet

TRADOC's Assessment:

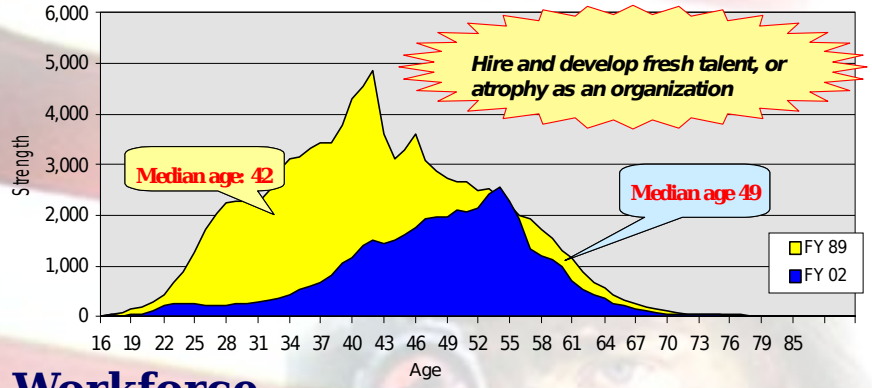
Best Candidates for Follow-on Implementation based on *Flying Hours, Miles and/or Density*

Transforming the AMC Workforce
Workforce Revitalization Plan

3 Key Problems:

- Recruiting
- Training
- Job Development

The problem today . . .



Revitalization Plan

- Multifunctional Military – Civilian Workforce
- Uniformed Army Scientist and Engineer Program
- Civilian / Leader Development Program
- LOGTECH
- DoD Center of Excellence in Logistics & Techn
- AMC Fellows Program
- AMC Apprentice Program - - Depot/Arsenal Workforce

Need an equivalent training plan for civilians similar to military

Good News: AMC Intern Program funded by DA for 600 interns this year

Summary . . . Parting Thoughts

- Joint Concepts - - - Army working to position itself to provide joint logistics support
- Logistics Enterprise . . . Common operating picture . . . Integrated common processes for more efficient/effective logistics
- Army Restructuring Initiatives - - reducing layers; greater synergy; more *collaboration*; move the right technology to the soldier, faster

Traditional organizational culture may be biggest impediment to change

Use Metrics to Reflect Enterprise View Versus Organizational View